

**THE STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 15-137**

**ELECTRIC AND NATURAL GAS UTILITIES**

**Energy Efficiency Resource Standard**

**ORDER OF NOTICE**

The Commission opens this proceeding to establish an Energy Efficiency Resource Standard (EERS), a policy to establish specific targets or goals for energy savings that utilities must meet in New Hampshire. The EERS will require electric and/or natural gas utilities to achieve, within short- and long-term time frames, energy-type-specific levels of customer energy savings (efficiency goals), based on sales volumes for the baseline year of 2014. In this proceeding, the Commission will define the savings targets and address issues related to public and private funding; program-cost recovery; lost-revenue recovery (*e.g.*, decoupling); performance-based incentives and penalties; program administration; and evaluation, measurement and verification. The Commission will also consider ways to transition from the existing energy efficiency programs to programs under the EERS. The order of notice and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at: <http://www.puc.nh.gov/Regulatory/docketbk-2015.html>

The establishment of an EERS follows over twenty years of energy efficiency initiatives and programs by the Commission and numerous stakeholders. Recently, those activities have occurred within the context of the Core program, a statewide system used by electric and natural gas utilities to deliver energy-efficiency products and services to their customers or members.

During that time, several studies of energy efficiency potential in New Hampshire were conducted, and all suggested that additional opportunities for cost-effective energy efficiency exist beyond those attained through the Core programs.<sup>1</sup> Also, in September 2014, the Governor's Office of Energy and Planning released a 10-year State Energy Strategy, which recognized the need for an EERS:

In order to reduce energy costs by implementing more cost-effective efficiency programs, the State must set specific efficiency goals and metrics to measure progress. The Public Utilities Commission should open a proceeding that directs the utilities, in collaboration with other interested parties, to develop efficiency savings goals based on the efficiency potential of the State, aimed at achieving all cost effective efficiency over a reasonable time frame.

2014 New Hampshire State Energy Strategy, Executive Summary at ii.

On February 3, 2015, Commission Staff filed a report entitled "Energy Efficiency Resource Standard: A Straw Proposal for New Hampshire." Staff's report concluded a months-long endeavor to solicit and capture feedback on the potential for a New Hampshire EERS, and included information about other jurisdictions, input from stakeholders, questions for additional consideration, and a series of preliminary recommendations. On March 16, 2015, the Commission opened an investigative docket, IR 15-072, to receive written comments on several threshold recommendations within Staff's report. The written comments included unanimous support for the Commission's establishment of an EERS at this time, under existing statutory authority, to advance a policy of energy-efficiency as a least-cost-supply resource for electric and natural gas utilities. Some support for an EERS, however, was qualified by requests to consider the universe of EERS issues, and/or engage expert assistance, at the time of its establishment.

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<sup>1</sup> *Additional Opportunities for Energy Efficiency in New Hampshire, Final Report* (January 2009), prepared for the Commission by GDS Associates Inc. (GDS), RLW Analytics, and Research Into Action; *Increasing Energy Efficiency in New Hampshire: Realizing Our Potential* (November 2013), prepared by Vermont Energy Investment Corporation (VEIC), GDS, and Jeffrey H. Taylor & Associates; and *Independent Study of Energy Policy Issues* (2011), prepared for the Commission by VEIC.

Based on these comments and Staff's report, the Commission opens this proceeding to establish an EERS and examine the issues related to a successful launch of this important policy. In addition to the written comments on the Staff report, the Commission received a number of requests for more time to submit additional comments. Rather than delay the opening of this docket, the Commission invites additional comments and other information from those who wish to participate in the context of this proceeding.

The scope of the proceeding will include, *inter alia*, issues related to RSA 374-F:3, X, as it relates to market barriers to investments in energy efficiency, incentives for appropriate demand-side management, cost-effective customer conservation, and utility provision of cost-effective, energy-efficiency opportunities that may otherwise be lost due to market barriers; RSA 374-F:3, VI, as it relates to administering the system benefits charge to support, in part, energy efficiency programs; RSA 125-O:23 as it relates to administering Regional Greenhouse Gas Initiative auction proceeds to fund energy efficiency programs; RSA 378:7 and 378:28 as they relate to energy efficiency and approval of just and reasonable rates; RSA 378:37 and RSA 378:39 as they relate to energy efficiency as a first-priority energy-supply source in utility integrated-least-cost planning. In addition, the Commission will consider appropriate funding mechanisms, including leveraging private funding sources, and other relevant issues that may be identified by interested parties.

The electric and natural gas distribution utilities regulated by the Commission shall participate as mandatory parties to this proceeding. Other interested persons may seek permission to intervene, as described below. Each party has the right to have an attorney represent the party at the party's own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a prehearing conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 3, 2015 at 10:00 a.m., at which each party will provide a preliminary statement of its position regarding the issues to be considered in this proceeding and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15; and it is

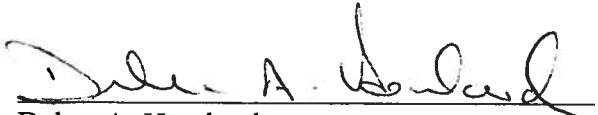
**FURTHER ORDERED**, that, immediately following the prehearing conference, the Staff of the Commission, the electric and natural gas utilities, and any intervenors hold a technical session to develop a proposed procedural schedule, and determine any other procedural requirements, for Commission consideration; and it is

**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Commission shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 13, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 29, 2015; and it is

**FURTHER ORDERED**, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any person seeking to intervene in the proceeding shall submit to the Commission an original and six copies of a Petition to Intervene, with a copies sent to the Office of the Consumer Advocate and all parties listed on the Commission's service list for this proceeding, on or before May 29, 2015, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32, I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before June 3, 2015.

By order of the Public Utilities Commission of New Hampshire this eighth day of May, 2015.

  
Debra A. Howland  
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

